

House Bill 35

By: Representatives Jacobs of the 80th, Chambers of the 81st, Millar of the 79th, and Levitas of the 82nd

A BILL TO BE ENTITLED
AN ACT

To amend Article 1 of Chapter 82 of Title 36 of the Official Code of Georgia Annotated, relating to general provisions concerning bonds, so as to provide that interest and dividends received on bond funds shall be used only for the stated purposes for which such bonds were issued; to provide for related matters; to provide an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Article 1 of Chapter 82 of Title 36 of the Official Code of Georgia Annotated, relating to general provisions concerning bonds, is amended by revising subsection (b) of Code Section 36-82-1, relating to election on bonded debt, as follows:

"(b) The officers charged with levying taxes, contracting debts, and the like for the county, municipal corporation, or political subdivision shall give notice for not less than 30 days immediately preceding the day of the election in the newspaper in which sheriff's advertisements for the county are published, notifying the qualified voters that on the day named an election will be held to determine the question of whether bonds shall be issued by the county, municipal corporation, or political subdivision. The notice shall specify the principal amount of the bonds to be issued, the purpose and projects for which the bonds are issued, the interest rate or rates which such bonds are to bear, and the amount of principal to be paid in each year during the life of the bonds. The notice, in the discretion of the issuing body, in lieu of specifying the rate or rates of interest which the bonds are to bear, may state that the bonds, when issued, will bear interest at a rate not exceeding a maximum per annum rate of interest specified in the election notice or, in the event the bonds are to bear different rates of interest for different maturity dates, that none of such rates will exceed the maximum rate specified in the election notice."

SECTION 2.

Said article is further amended by revising Code Section 36-82-4.2, relating to expenditure of bond funds for purposes other than stated in public bond notice, as follows:

"36-82-4.2.

(a) Interest and dividends received from the investment of bond proceeds as provided in Code Section 36-82-7 or the maintenance of bond proceeds in interest bearing accounts shall be used only for the purpose and projects stated in the notice required by subsection (b) of Code Section 36-82-1 for such bonds or to reduce the bonded indebtedness of the county, municipality, or political subdivision that issued such bonds.

~~(a)~~(b) When, subsequent to the issuance of any bonds pursuant to the provisions of this article, the governing authority of any county, municipal corporation, or political subdivision adopts by a two-thirds' majority vote a resolution declaring that:

(1) A portion of the bond funds or any interest and dividends that have accrued on such bond funds remains after the purpose stated in the notice required by subsection (b) of Code Section 36-82-1 has been achieved or accomplished;

(2) The purpose stated in such notice is no longer necessary; or

(3) Circumstances have changed such that the expenditure of all or part of such bond funds is no longer practicable or feasible,

the governing authority shall be authorized to expend such bond funds, including interest, for purposes of a nature substantially similar to the purpose and projects stated in such notice or to reduce the bonded indebtedness of the county, municipality, or political subdivision.

~~(b)~~(c) Not sooner than ten days prior to expending bond funds as provided in subsection ~~(a)~~ (b) of this Code section, the governing authority shall cause to be published once in the official county organ a copy of the resolution adopted pursuant to subsection ~~(a)~~ (b) of this Code section, which resolution shall set forth the reason the bond funds or any interest and dividends that have accrued on such bond funds were not expended for the original purpose and shall state the purpose for which such funds will be expended. In addition, the governing authorities shall cause a copy of such resolution to be sent by registered or certified mail or statutory overnight delivery to any trustee for bondholders or other paying agent."

SECTION 3.

This Act shall become effective upon its approval by the Governor or upon its becoming law without such approval.

59

SECTION 4.

60

All laws and parts of laws in conflict with this Act are repealed.